

Submit 1 Copy to Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
August 1, 2011

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. <b>30-015-20148</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>Camp</b>
8. Well Number <b>224</b>
9. OGRID Number
10. Pool name or Wildcat <b>Artesia, Queen-Grayburg-sna Andres</b>

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator <b>Quantum Resources Management, LLC</b>	
3. Address of Operator <b>1401 McKinney, Ste. 2400, Houston, TX 77010</b>	
4. Well Location Unit Letter <b>K</b> : <b>2310</b> feet from the <b>S</b> line and <b>2310</b> feet from the <b>W</b> line Section <b>32</b> Township <b>18-s</b> Range <b>28-E</b> NMPM County <b>Eddy</b>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

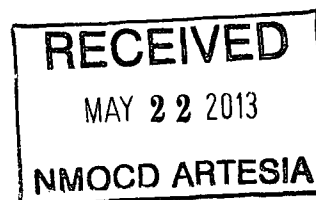
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. MIRU plugging equipment, POH w/ production equipment.
2. RIH and set 5 1/2 CIBP @ 1903'. Circulate hole w/ mud laden fluid. Spot 25 sx on top of CIBP.
3. Perf csg @ 875 and Sqz. 45 sx cement. Displace to 775'. WOC & Tag.
4. Perf csg @ 567 and Sqz 45 sx cement. Displace to 467'. WOC & Tag
5. Perf csg @ 60' and Sqz 45 sx to surface.
6. Cut off wellhead and weld on Dry Hole Marker.

CONDITIONS OF APPROVAL ATTACHED

Approval Granted providing work is

Completed by May 24 - 2014



Spud Date:

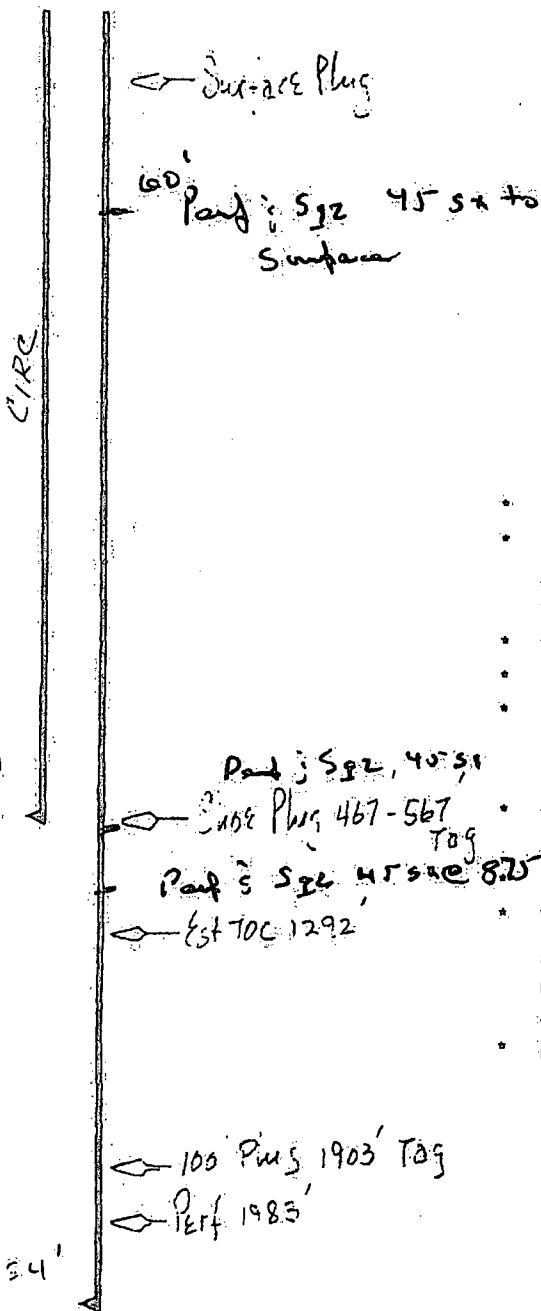
Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bernie J TITLE Agent DATE 5-21-13  
Type or print name Bernie J E-mail address: bern@bcaand.com PHONE: 432-586-7161  
For State Use Only  
APPROVED BY: [Signature] TITLE Dist. Rep. DATE 5/24/2013  
Conditions of Approval (if any):

SEE ATTACHED CO8'S

**TOPS**



- \* Contact OCD 24 hrs. prior to any work done.
- \* Salt gel mud consisting of 10# brine with 25# of gel per barrel must be placed between each plug.
- \* Install dry hole marker as per Rule 202.B.2
- \* Plugs are to be set from point indicated up.
- \* Plugs must not be less than 100' or 25 Sacks of cement, whichever is greater, unless specifically indicated.
- \* Shoe and stub plugs will be 50' above and below shoe or stub and tagged.
- \* Surface plug will be from 0' - 60'
- \* Where plugs are required, cement must be placed inside and outside of all casing string(s) in the correct footage or sacks required, if no cement exists.
- \* Plugs to be tagged will be indicated.

Quantum Resources Management, LLC

Artesia Unit 32W

Unit K Sec. 32, T-18S, R-28E

Eddy Co., NM

API #: 30-015-20148

**Equipment & Design:**

Quantum Resources Management LLC will use a closed loop system in the plug and abandonment of this well. The following equipment will be on location:

- (1) 250 bbl steel reverse tank

**Operations & Maintenance:**

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the steel tank and visually monitor any release that may occur. Should a release, spill or leak occur, the NMOCD District 1 office Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.

**Closure:**

After plugging operations, fluids and solids will be hauled and disposed at Gandy-Marley Disposal's location, permit number NM 01-0019. Secondary site will be Sundance Disposal, permit number NM 01-0003.

NEW MEXICO OIL CONSERVATION DIVISION  
DISTRICT 2 OFFICE  
811 S. FIRST STREET  
ARTESIA, NM 88210  
(575)748-1283

**CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT**

Operator: Quantum

Well Name & Number: Camp 224

API #: 30 - 015 - 20148

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged **ONLY**. A C-103 **FINAL** shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perms, before any plugs can be set, by whatever means possible.
8. **Cement Retainers may not be used.**

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.

10. Plugs may be combined after consulting with and getting approval from NMOCD.

11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: May 24-2013

APPROVED BY:

A handwritten signature in black ink, appearing to read "J. D. Saele".

## GUIDELINES FOR PLUGGING AND ABANDONMENT

### DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
- Formations to be isolated with plugs placed at the top of each formation are:
  - Fusselman
  - Devonian
  - Morrow
  - Wolfcamp
  - Bone Spring
  - Delaware
  - Any Salt Section (Plug at top and bottom)
  - Abo
  - Glorieta
  - Yates (this plug is usually at base of salt section)
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).